

STATEMENT OF PURPOSE

RS20861

The oil and gas severance tax collected by the Oil and Gas Commission must currently be collected and audited separately from the similar tax collected by the State Tax Commission. Furthermore, the current amount of the tax allocated to the Oil and Gas Commission will not be sufficient to cover the administrative expenses of the oil and gas program. Several portions of 47-330 through 332 also contain outdated language and processes that the State Tax Commission no longer uses, and these sections contain many redundancies. The changes will allow the State Tax Commission to collect both portions of the severance tax and eliminate the redundancy of tax collection and enforcement duties. It will also redirect the general fund portion of the State Tax Commission's severance tax to the Oil and Gas Commission. The intent is to fund the oil and gas program exclusively from dedicated funds generated by production and permit fees. Excess funds would be transferred to the general fund. The changes also bring this statute into conformance with the current standards of the Tax Commission and simplify the tax code. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect beginning the first calendar quarter after its passage and approval.

FISCAL NOTE

These changes will reduce the cost of collecting and auditing the oil and gas severance taxes. They will also reduce the impact of the oil and gas program on the general fund while not impacting the other beneficiaries of the severance taxes.

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